

Table 1

CITY OF TUCSON, ARIZONA
Summary of License Fees Due to the City
October 1, 2000 through September 30, 2005

Line No.	Description	Gross Revenues Determined by A&S	Gross Revenues Reported by Cox	Difference in Gross Revenues	License Fees Due to the City
	<u>Subscriber Revenues</u>				
1	Installations	\$3,287,498	\$3,307,651	(\$20,153)	(\$1,008)
2	Basic Service	78,642,837	78,877,009	(234,172)	(11,709)
3	Pay Service	19,282,563	19,350,051	(67,488)	(3,374)
4	Equipment Rentals	12,306,638	12,312,478	(5,839)	(292)
5	Expanded Basic	116,993,478	117,408,672	(415,194)	(20,760)
6	HDTV Revenues	489,491	489,491	0	0
7	DVR Revenues	151,921	151,921	0	0
8	Fibernet Maintenance	125,569	125,668	(98)	(5)
9	PPV	6,402,742	6,402,764	(22)	(1)
10	Guides	153,977	154,084	(107)	(5)
11	Late Charges	4,598,470	4,606,536	(8,066)	(403)
12	License Fees	13,388,974	13,430,134	(41,160)	(2,058)
13	FCC Regulatory Fees	223,413	223,891	(478)	(24)
14	Subtotal [1]	\$256,047,571	\$256,840,348	(\$792,777)	(\$39,639)
15	Bad Debt [2]	(5,910,958)	(6,431,493)	520,535	26,027
16	Total Subscriber Revenues	\$250,136,613	\$250,408,855	(\$272,242)	(\$13,612)
17	NSF Fees [3]	162,833	0	162,833	8,142
18	PEG Fees [3]	2,179,826	0	2,179,826	108,991
19	Total Subscriber Revenues	\$252,479,272	\$250,408,855	\$2,070,417	\$103,521
	<u>Non-Subscriber Revenues</u>				
20	Advertising [4]	\$27,997,750	\$10,963,449	\$17,034,300	\$851,715
21	Home Shopping	966,284	962,091	4,193	210
22	TCG Income	140,671	140,671	0	0
23	Other Revenues	255,567	255,567	0	0
24	Launch Fees [5]	2,473,742	0	2,473,742	123,687
25	Cooperative Marketing [5]	1,789,445	0	1,789,445	89,472
26	Total Non-Subscriber Revenues	\$33,623,459	\$12,321,778	\$21,301,681	\$1,065,084
27	Total Gross Revenues [L.19 + L.26]	\$286,102,731	\$262,730,633	\$23,372,098	\$1,168,605
28	License Fee Rate	5.00%	5.00%	5.00%	
29	Total License Fees	\$14,305,137	\$13,136,532	\$1,168,605	
30	License Fees Paid by Cox	(13,136,532)			
31	Amount Owed by Cox	\$1,168,605			
32	Interest Charges [6]	394,589			
33	Audit Costs [7]	30,000			
34	Total Amount Due to the City	\$1,593,194			

Footnotes

- [1] A&S excluded Franchise Area 479, which included only CablePlus/SMATV systems, as these systems were identified as outside of the City limits. Cox paid franchise fees to the City for this Area.
- [2] A&S included actual write-offs and recoveries for the entire review period. In addition, A&S reduced bad debt for internet bad debt. Cox reported the allowance for bad debt including internet bad debt.
- [3] NSF fees and PEG Fees were not included in the revenues reported by Cox to the City.
- [4] Cox reported advertising revenues from Cox Media net of all expenses. A&S has reported 100% of the Cox Media advertising revenues.
- [5] Receipts from launch fees and cooperative marketing were recorded by Cox as "contra-expenses" and not reported as revenues to the City. A&S included receipts for the review period.
- [6] Interest charges are calculated at 10% compounded daily per the license agreement.
- [7] Audit costs are included as the findings exceed 4% of the payments, per the license agreement.